

Volunteer Quality Alert 2006-02 – New Rules for Divorced or Separated Parents

Please pass on the following information from "What's Hot in Tax Forms, Publications, and Other Products" to volunteers assisting taxpayers. Also, be sure to check the following page often for late-breaking changes and corrections to tax products:

<http://www.irs.gov/formspubs/article/0,,id=109875,00.html>

Caution – New Rules for Divorced or Separated Parents

The Gulf Opportunity Zone Act of 2005, which was enacted December 21, 2005, changed the definitions of custodial parent and noncustodial parent for dependency exemptions, the child tax credits, and other provisions.

Under the new definitions, a custodial parent is the parent having custody of a child for the greater part of the year. The noncustodial parent is the parent who is not the custodial parent. Also, the law restored the requirement that a noncustodial parent claiming an exemption for a child attach Form 8332 (or similar statement) signed by the custodial parent to the noncustodial parent's return.

These recently enacted changes are not reflected in the 2005 instructions for:

- Forms 1040 and 1040A
- Form 2441, *Child and Dependent Care Expenses*
- Form 8615, *Tax for Children Under Age 14 Who Have Investment Income of More Than \$1,600*, and
- Form 8814, *Parents' Election to Report Child's Interest and Dividends*.

They are also not reflected in the 2005 versions of:

- Publication 17, *Your Federal Income* (chapters 3, 31, and 32)
- Publication 501, *Exemptions, Standard Deduction, and Filing Information*,
- Publication 503, *Child and Dependent Care Expenses*
- Publication 504, *Divorced or Separated Individuals*, and
- Publication 929, *Tax Rules for Children and Dependents*.

You can download [Form 8332, Release of Claim to Exemption for Child of Divorced or Separated Parents](#) (Revised January 2006), for a detailed explanation of the new rules. -- 31-JAN-2006

So we can be responsive to all questions, Volunteers with questions should forward them through their SPEC Relationship Managers up through SPEC Direct.